

## LOCAL PENSIONS BOARD – 25 MARCH 2022

### Report of the Director for Corporate Services

## LOCAL GOVERNMENT PENSION SCHEME (LGPS) REGULATIONS

### Data Quality Scores and Data Improvement Plan

#### Recommendation of the Chair

1. That the Local Pensions Board notes the Staffordshire Pension Fund's Data Quality Scores for 2021 and the improvement in both from 2020. These are reported as:
  - (i) a Common Data Score of 97.1% (96.5% in 2020); and
  - (ii) a Scheme Specific Data Score of 96.3% (96.1% in 2020).
2. That the Local Pensions Board notes the existence of a Data Improvement Plan; a summary of which is provided in Appendix 2.

#### Introduction and Background

3. In 2015, the Pensions Regulator (TPR) assumed responsibility for all Public-Sector Pension Schemes. Prior to this, in 2010, the TPR had issued guidance on the approach that they considered to be good practice for measuring the presence and accuracy of Scheme Member data across all UK pension funds and accordingly post 2015, the LGPS was required to comply.
4. TPR set specific targets for two types of Scheme Member data, which they deemed as 'common' and 'scheme specific' data and both areas must be reported. TPR set targets of 100% accuracy for data created after June 2010 and 95% accuracy for data created beforehand.
5. **Common Data** relates to core data items that are applicable to all pension schemes for example Name, NI Number, Data of Birth, Addresses etc.
6. **Scheme Specific Data** (also known as Conditional Data) depends on the scheme structure or type. So, for the LGPS this includes pension service history, pensionable earnings, Career Average Revalued Earnings (CARE), transfer in service etc. These test the interdependency of data in different fields within a member's record and reports inconsistencies where data is either missing where it should be present or is present when it shouldn't be.

#### 2021 Data Scores

7. The Fund, in conjunction with its software provider Heywood Ltd., has completed a review of the "Common and Scheme Specific Data" in line with TPR guidelines. Using the Heywood Data Quality service to assess the quality

of member data held on the Altair computerised administration system, the latest data extractions were run in October 2021 with the subsequent reports prepared and received during November 2021. The results are reported as:

- a Common Data Score of 97.1% (96.5% in 2020); and
  - a Scheme Specific Data Score of 96.3% (96.1% in 2020).
8. Each Heywood report includes a 'Data Correction Plan' which prioritises the areas where potentially incorrect data may need to be addressed. These reports are used to inform the full data cleansing operation performed each year within Pension Services.
  9. The increase in compliance for both "Common Data" and "Scheme Specific Data" is a result of improvements of data received from Scheme Employers and data cleanse exercises following issues identified in the 2020 Data improvement plan, notably improvements for "HMRC" and "Contracting Out" data.
  10. The results and findings have been discussed in detail by the Pensions Services Management Team. A summary of the DIP is included at Appendix 2, together with a comparison of the data scores from 2020.

### **Data Improvement Plan (DIP)**

11. The DIP is a document which examines and quantifies all identified data issues and sets out the method of correction, how the data issues will be resolved, who will be responsible, and it also provides expected delivery timescales.
12. The main elements of focus in the 2021 DIP are:
  - **Common Data – Address.**  
This will be the focus of a Tracing Exercise to be carried out in 2022/23;
  - **Scheme Specific Data – CARE Benefits.**  
Data quality has reduced since 2020 and more work in this area is required. Whilst this is partially due to incomplete data being provided by Scheme Employers, it should improve with the increased roll out of i-Connect for the collection of monthly data from Employers. As 2022 is a triennial Actuarial Valuation year, the majority of missing CARE issues will be identified as part of the 2022 Actuarial Valuation process. The need to comply with the scheme Actuary's data requirements will result in a significant improvement in this area: and
  - **Scheme Specific Data – Contracted Out.**  
Although improvements have been made since 2020, further alignment of HMRC records to the Altair database is still required.

13. It is intended that progress of the DIP will be discussed and monitored, on a regular basis, and will be a key focus for the data cleanse work required ahead of the 2022 Actuarial Valuation of the Fund.

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## Appendix 1

1. **Equalities implications:** There are no direct equalities implications arising from this report.
2. **Legal implications:** The legal implications are covered in the body of the report.
3. **Resource and Value for money implications:** An appropriate level of resource needs to be allocated to this area of activity and this may mean diverting resource from another area of the business in the short term. There are no direct value for money implications arising from this report.
4. **Risk implications:** The risk implications are considered in the body of the report.
5. **Climate Change implications:** There are no direct climate change implications arising from this report.
6. **Health Impact Assessment Screening:** There are no health impact assessment implications arising from this report.